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Via Facsimile

Kenneth W. Salinger, Esq.
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One Beacon Street
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Re: D.T.E. Docket No. 01-20 – Discovery Issues

Dear Ken:

I am writing regarding your letter of June 15, 2001, relating to Verizon MA's response to Information Request ATT-VZ-3-1 and to express our concerns regarding the deficiencies in AT&T's responses to Verizon MA's First and Second Sets of Information Requests. For the reasons described herein, I believe that, notwithstanding Verizon MA's objection to the request,¹ it has made every reasonable attempt to be responsive to Information Request ATT-VZ-3-1. In sharp contrast, AT&T's answers to the more limited discovery issued by Verizon MA were largely nonresponsive. In numerous instances, AT&T has lodged inappropriate objections, or has provided answers that are incomplete and/or not responsive to the questions posed. AT&T's failure to produce the requested information and documents prevents Verizon MA from conducting a thorough review and analysis of AT&T's cost model, HAI 5.2a-MA. Accordingly, AT&T's responses should be supplemented immediately.

¹ Information Request ATT-VZ-3-1 asks for documents relating to switch costs for all of "Verizon's operating territories." Verizon MA's Panel Testimony addresses the manner in which the switching costs were developed, and the scope of the information request goes far beyond the methodology used by Verizon MA to compute appropriate switch costs. Because of the tenuous relevance of the question and the volume of material that would need to be reviewed in order to present a complete review of all of Verizon's operating territories, Verizon MA's response is more than adequate.

As noted in its response to Information Request ATT-VZ-3-1, Verizon MA has made available, subject to a Protective Agreement, copies of the requested contracts used in both the former Bell Atlantic North and South regions, which served as the basis of Verizon MA's cost study.² This is done despite the Company's objection to the overly broad and unduly burdensome nature of the request. In order to respond to this request, as well as the hundreds that have been issued,³ time was needed to evaluate precisely what types of documents could be responsive to the request and compiling the documents for review.

As noted in the response, it is Verizon MA's practice to solicit separate competitive bids for "new" switch installations, but use the base contracts referenced in the response to meet its "growth" requirements. The contracts that have been made available include presently effective contracts, which are referenced in the Panel Testimony, and what we believe to be presently effective switch contracts for the former Bell Atlantic region. Verizon MA continues to object to the request for documents relating to purchases in the former GTE region. The burden of searching for and compiling such documents outweighs any possible probative value.

As I indicated above, AT&T has been far less responsive to the questions posed to it by Verizon MA. Given the extent to which AT&T's answers are nonresponsive, I will not detail in this letter the deficiencies with respect to every response. However, by way of example, and to illustrate the magnitude of AT&T's apparent attempts to forestall Verizon MA's evaluation of AT&T's model, I have set forth a sampling of the deficient responses. This sampling is by no means exhaustive.

1. AT&T's objection to Information Requests VZ-ATT-1-38, VZ-ATT-1-39, VZ-ATT-1-54, VZ-ATT-1-55, VZ-ATT-1-70 to VZ-ATT-1-79, VZ-ATT-1-114 to VZ-ATT-1-128, VZ-ATT-1-131, VZ-ATT-1-132, VZ-ATT-1-134, VZ-ATT-1-135, VZ-ATT-2-1 and VZ-ATT-2-15 is without merit. Each of these information requests asks AT&T to provide information regarding its own network, in particular, its local exchange network. AT&T objected on the ground that its own operational experience to date is not relevant to the issue of Verizon MA's forward-looking economic costs to provide Unbundled Network Elements

² Verizon MA agrees to provide copies of the contrasts referenced in the response to Information Request ATT-VZ-3-1 to AT&T and WorldCom. Copies should be delivered tomorrow.

³ In your June 1, 2001 letter to me, you complained about the completeness and responsiveness of nine other responses. In each case, Verizon MA believes that it provided an accurate and responsive answer to its understanding of the question posed by AT&T. It should be noted that AT&T's fifteenth set of information requests includes follow-up questions to some of the responses, which will provide clarification of those answers.

(“UNEs”). This argument is plainly without merit. AT&T’s own network practices and costs are extremely relevant – they provide a benchmark against which the Department can compare the HAI 5.2a-MA’s input values, engineering assumptions, and cost estimates. AT&T has stated repeatedly that its cost model does not seek to replicate Verizon MA’s network in any state. Rather, as AT&T’s witnesses have claimed, the cost model attempts to estimate the forward-looking costs of a hypothetically efficient carrier. Thus, regardless of whether AT&T’s own practices and cost structure are relevant to Verizon MA’s forward-looking economic costs, they are directly relevant to verifying the accuracy of the cost structure AT&T seeks to impose on Verizon MA through the use of HAI 5.2a-MA.

2. AT&T’s objection to Information Requests VZ-ATT-1-34, VZ-ATT-1-35, VZ-ATT-1-65, VZ-ATT-1-66, VZ-ATT-1-68, VZ-ATT-1-80, VZ-ATT-1-87 to VZ-ATT-1-90, and VZ-ATT-1-99 is similarly without merit. Each of these information requests asks AT&T for information regarding earlier versions of the HAI Model. AT&T objects, stating that information regarding models other than HAI 5.2a-MA is not relevant to this proceeding. AT&T’s objection is mistaken. HAI 5.2a-MA is predicated upon, and in many respects, substantially the same as, earlier versions of the HAI Model. AT&T has contended that each release of the model is accurate. Thus, to the extent the version of the model sponsored in this proceeding is different from earlier versions, Verizon MA is entitled to explore the bases for, and propriety of, the changes made by AT&T. The model is evolutionary in nature, and thus, it would be inappropriate to analyze the model in isolation. In addition, the Department has reviewed and made findings on an earlier version of the model, and any differences (or lack thereof) is probative in this case. Accordingly, information regarding the similarities, or differences, between the models is plainly relevant and essential to a thorough evaluation of HAI 5.2a-MA.
3. AT&T’s response to Information Request 1-16 is nonresponsive and incomplete. Verizon MA asked AT&T to produce copies of the information provided to either HAI Consulting, Inc. (“HAI”), BroadView Telecommunications, LLC (“BVT”), Telecom Visions, Inc. (“TVI”) for use in HAI 5.2a-MA and to describe in detail how it was created and the manner in which it was used in HAI 5.2a-MA. AT&T provided a copy of a study sent to HAI; however, AT&T failed to provide any information regarding how the data was created and the manner in which it was used in HAI 5.2a-MA. Simply stating that the study was used “as support for a number of inputs” is not the detailed description Verizon MA requested.
4. AT&T’s response to Information Request VZ-ATT-1-24 is incomplete. AT&T failed to address the second part of the request, in which Verizon MA asked

AT&T to specify in its answer the basis for additions or reductions to specific census blocks that are made in order to perform the normalization of total line counts for the study area to the targets. AT&T merely refers to the section of the Model Description that discusses the procedure for normalizing line counts, but says nothing about the basis for additions or reductions to specific census blocks.

5. AT&T's response to Information Request VZ-ATT-2-19 is nonresponsive and incomplete. Verizon MA asked AT&T, among other things, to provide a detailed description of the inputs and algorithms used to determine the investment and expenses required for test equipment. AT&T responds that the "inputs and algorithms used to determine these investments and expenses are described in detail using widely used formula employed by Microsoft's Excel." This answer is wholly nonresponsive. AT&T's response does not describe in detail the inputs and algorithms used.
6. AT&T's responses to Information Requests VZ-ATT-2-46, VZ-ATT-2-48 and VZ-ATT-2-50 are nonresponsive and incomplete. Verizon MA asked AT&T to provide copies of all instructions, survey forms, workpapers, and documents used by the "experts" to develop the installed cost of a T1 repeater. AT&T responded by stating that "[i]nstructions and survey forms were not required because this work was done in direct collaboration with all six experts involved." Although claiming that AT&T did not need to furnish the experts with instructions and survey forms, AT&T says nothing about the potential workpapers and documents *used by the experts* to develop the relevant cost. Furthermore, Information Requests VZ-ATT-2-48 and VZ-ATT-2-50 asked for information relating to the experts who developed the installed costs of a T1 for an Integrated COT, an RT Cabinet and Commons, a Channel Unit Investment per Subscriber; and a T1 Transceiver. However, AT&T's response to both information requests listed the experts who "worked to develop the installed cost of a *T1 repeater*."
7. AT&T's response to Information Request VZ-ATT-2-53 is nonresponsive and incomplete. Verizon MA asked AT&T to provide all workpapers showing the calculations used to develop the Pole Investments. Although AT&T included an Excel workfile with the data, AT&T failed to provide the associated workpapers showing the calculations involving this data. In addition, Verizon MA asked AT&T to explain in detail the methodology used to develop the costs shown. AT&T's response, that the "methodology involves a direct plotting of data," lacks the detail requested by Verizon MA. Further, to say that the methodology "involves" something says nothing about what the methodology actually is.

8. AT&T's responses to Information Requests VZ-ATT-2-57 and VZ-ATT-2-92 are nonresponsive and incomplete. Verizon MA asked AT&T to show in detail how the MDF Investment was included in the calculations for fixed and per-line switch investment, and how the Power Investment is included in the calculations for fixed and per-line switch investment, and to provide all workpapers and documents concerning, referring or relating to these calculations. AT&T responded to both information requests by stating that the "FCC included MDF investment in its calculations for switch investment." Verizon MA, however, asked for information about how AT&T, *not the FCC*, included MDF Investment in its calculations for switch investments. In addition, even if the method by which the FCC included MDF Investment was the same as AT&T's method, AT&T did not show "in detail" how the MDF Investment was included in the calculations. Further, AT&T failed to provide the workpapers and documents requested, yet did not object to doing so.
9. AT&T's response to Information Request VZ-ATT-2-62 is nonresponsive and incomplete. Verizon MA asked AT&T to state the percentage of end office switches having tandem functionality and perform tandem functions, and to provide the basis upon which the percentage was determined and all documents, data sources, workpapers, and calculations concerning, referring or relating to the development of the percentage. AT&T replied by merely stating that "[e]nd offices having a tandem functionality is a user adjustable input," and by referring Verizon MA to sections of the HM 5.2a-MA HIP. However, Verizon MA requested a detailed description of *the basis* upon which the percentage was determined. A vague statement that something is a "user adjustable input" does not provide such information. In addition, AT&T did not provide the requested documents, data sources, workpapers and calculations.
10. AT&T's response to Information Request VZ-ATT-2-70 is nonresponsive and incomplete. Verizon MA asked AT&T for a "yes" or "no" answer – whether or not HAI 5.2a assumes operator tandem functionality is performed by tandems dedicated solely for the purpose of providing operator services. AT&T's response, that "[o]perator tandems are assumed to be located where local tandems are located and function solely as operator tandems," does not answer Verizon MA's question.

Verizon MA also has concerns with the following Information Requests, among others: VZ-ATT-1-2 to VZ-ATT-1-6, VZ-ATT-1-8 to VZ-ATT-1-14, VZ-ATT-1-17, VZ-ATT-1-18, VZ-ATT-1-20, VZ-ATT-1-21, VZ-ATT-1-23 to VZ-ATT-1-26, VZ-ATT-1-30, VZ-ATT-1-33, VZ-ATT-1-40, VZ-ATT-1-42, VZ-ATT-1-45, VZ-ATT-1-46, VZ-ATT-1-48, VZ-ATT-1-49, VZ-ATT-1-51 to VZ-ATT-1-53, VZ-ATT-1-57 to VZ-ATT-1-60, VZ-ATT-1-62, VZ-ATT-1-63, VZ-ATT-1-67, VZ-ATT-1-82, VZ-ATT-1-83, VZ-ATT-1-102, VZ-ATT-1-103, VZ-ATT-1-113,

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VZ-ATT-1-130, VZ-ATT-2-3, VZ-ATT-2-4, VZ-ATT-2-6 to VZ-ATT-2-8, VZ-ATT-2-10, VZ-ATT-2-11, VZ-ATT-2-14, VZ-ATT-2-19, VZ-ATT-2-20, VZ-ATT-2-24, VZ-ATT-2-26, VZ-ATT-2-32, VZ-ATT-2-38, VZ-ATT-2-40 to VZ-ATT-2-44, VZ-ATT-2-55, VZ-ATT-2-61, VZ-ATT-2-69, VZ-ATT-2-73, VZ-ATT-2-77, VZ-ATT-2-78, VZ-ATT-2-83, VZ-ATT-2-84, VZ-ATT-2-85, VZ-ATT-2-90, and VZ-ATT-2-91.

For the foregoing reasons, and to avoid unnecessary motions, AT&T should promptly supplement its responses to Verizon MA's First and Second Set of Information Requests.

Sincerely,

Bruce P. Beausejour

cc: Service List